

<b>DHFS HIPAA Communication</b>	
<b>Number:</b> 4	<b>Topic:</b> Required transactions for DHFS business associates in the HCBW programs.
<b>Status:</b> Final	
<b>Date:</b> 7/8/03	

### **Summary**

This communication describes where counties and tribes have limited options in conducting the standard HIPAA electronic transactions as business associates of DHFS for the Medicaid Home and Community Based Waiver services programs.

### **Discussion**

As business associates (BAs) of DHFS, counties and tribes must be capable of sending and receiving standard HIPAA electronic transactions *for health care services* in the Medicaid Home and Community Based Services waiver programs. DHFS encourages them to consider a broader and long-term perspective when planning their compliance. Solutions they select may be applicable to other roles where they must comply with the HIPAA transaction rules, such as local health plans. These capabilities can also be used to efficiently automate human service administrative processes currently done manually for other programs. Some of these programs, such as mental health and AODA may be considered health plans for HIPAA in the future. Some solutions, such as translators, can also have value in integrating or making more flexible other, non-human service related processes and automated systems.

However, in the short term, many counties and tribes will be attempting to implement the least burdensome HIPAA compliance solution. This communication suggests areas where BAs have some flexibility in compliance. The following information pertains to a BA that has at least one provider that intends to conduct HIPAA standard electronic transactions with them. A BA that has no such providers may comply with the Business Associate Agreement by indicating their intention to “commit to” use of the DHFS County Claims Clearinghouse service on their compliance plan submitted to DHFS.

HIPAA requires that for every covered business activity that the BA normally conducts, it must use the HIPAA standard electronic transaction if requested by a provider of health care services in the HCBW programs. HIPAA does not, however, require a BA to newly perform a business activity if the BA does not already normally conduct it just because a provider requests it do so electronically. In the table below we state which business activities DHFS expects every BA will perform and those where the BA has some flexibility in performing the activity. Our position is based on the “business model” of how the HCBW programs are operated in Wisconsin.

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<b>HIPAA Standard Electronic Transaction</b>	<b>Business Activity (for health services)</b>	<b>Must the BA conduct the business activity using the HIPAA standard electronic transaction if requested by a provider?</b>
837	Receive a claim	Yes, all BAs receive claims.
835	Send a payment remittance advise	Yes, all BAs provide information about the payment.
	Send an electronic funds transfer (EFT)	The BA has the option to not use EFT and instead make payments with checks.
270/271	Receive an eligibility inquiry and send a response	<p>If the BA contends that it does not as a business activity receive or respond to eligibility inquiries from providers in the HCBW programs, it does not need to do so electronically. This contention is plausible because in the business model of these programs the BA preauthorizes services according to a case plan. Inquiries about eligibility for individual services are arguably irrelevant.</p> <p>If the BA can not establish that it does not do this activity manually or otherwise, it must conduct the 270/271 electronically if requested by a provider.</p>
276/277	Receive a claims status inquiry and send a response	Yes, all BAs respond to inquiries about the status of claims.
278	Request for and approval of authorization	Yes. Although the business model is primarily prior authorization according to a case plan, all BAs receive and respond to occasional requests for additional authorizations.

<b>Prepared by:</b>	Ted Ohlswager, HIPAA Implementation Coordinator
<b>Approved by:</b>	Ruth Diehl, DDES
<b>Keywords:</b>	HCBW, County, Tribe, ETCS
<b>Document name:</b>	\\DHFS-1WW-HOME_DMT_SERVER\DMT\DMT\OHLWTS\DOCS\HIPAA\county HCBW ECTS options v4.doc